

Approved Minutes

Special Meeting of the Utah Charter School Finance Authority November 29, 2012

Members of the Authority present:

Richard Ellis (Chair of Authority, Utah State Treasurer)
Ronnie C. Bigelow (Vice-Chair of Authority, Director, Governor's Office of Planning and Budget)
Bruce D. Williams (Secretary of Authority, Utah State Office of Education)

Others Present:

David Damschen (Deputy Utah State Treasurer)
Paul Crawford (Utah State Office of Education)
Preston Olsen (Ballard Spahr LLP)
Ryan Warburton (Ballard Spahr LLP)
Brandon Johnson (Chapman & Cutler LLP)
Jim Blandford (R.W. Baird)
Jon Bronson (Zions Bank Public Finance)
Brian Baker (Zions Bank Public Finance)

Meeting called to order by Chair Richard Ellis at 9:00 a.m.

Items of Business:

1. Approval of minutes – Two changes were requested to be made in the previous meeting's minutes. 1) to change the date from October 29, 2012 to October 30, 2012 because of dates found on documents; 2) to change the wording in the second paragraph of item #3 to read ..."bonds backed by *their* moral obligation" should read "bonds backed by *the state's* moral obligation." Motion was made to approve the minutes from the October 30, 2012 meeting. The motion carried unanimously.
2. Resolution 2012-8: Preston Olsen, bond counsel to the State, presented to the Authority the final bond resolution for the \$8,060,000 Endeavor Hall Project Series 2012 issuance. This resolution authorizes execution of the indenture, loan agreement and other financing documents relating to this financing.

Statement was made by Mr. Ellis that this resolution for Endeavor Hall Project is for a regular conduit issuance – credit enhancement was not requested by the school for these bonds.

Motion was made by Mr. Williams to adopt Resolution 2012-8. The motion carried unanimously.
3. Resolution 2012-9: Ryan Warburton, bond counsel to the State, presented to the Authority the final bond resolution for the Ogden Preparatory Academy Project Series 2012, authorizing the \$17,810,000 issuance.

The resolution authorized the execution of the indenture, loan agreement and other financing documents relating to this financing, which qualified for the Credit Enhancement Program.

Jim Blandford, underwriter with R.W. Baird, informed the Authority that there were twelve investors that participated in the underwriting: money managers, investment advisors, retail participation, dealers, insurance companies and banks. True interest cost (TIC) came in at 3.68%.

Motion was made by Mr. Williams to adopt Resolution 2012-9. The motion carried unanimously.

4. Consideration of revisions to the Credit Enhancement Program Standards.

Mr. Richard Ellis informed board members that there has been feedback through many emails regarding the Credit Enhancement Program standards and unfortunately they will not adopt the standards at this meeting. Mr. Ellis also stated that if any applications were to be received requesting credit enhancement, they will not be addressed until the program standards have been resolved.

Mr. Williams stated he felt frustrated in the last meeting because of the details needing to go through before feeling comfortable enough to recommend approval of bonds for the moral obligation program. He also stated he feels charter schools should have standards and if the Authority feels the schools have met those standards the schools have a reasonable expectation the Authority validate they have met the expectations. Mr. Williams also inquired as to where the proposed amendments to the standards originated.

Mr. Bigelow feels there are two issues needing addressed by the Finance Authority. One is the Authority needs to provide a conduit and that is their charge for helping charter schools to have a better process and a more reasonable cost in financing construction. At the same time the Authority has to balance that with protecting the State's bond rating.

Mr. Ellis stressed the need for sustainability; so when the standards are set, they need to be truly sustainable. He also expressed his concerns regarding student re-enrollment, the school's board makeup, and academic performance.

Motion was made to adjourn. The motion carried unanimously.